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FINLAND.

PART I

The People and the Country.

Finland has a population of a little over $3\frac{1}{2}$ million, of whom a tenth are Swedish speaking, Swedish being an official language. The Finnish language is related to the Estonian, the Karelian and the Magyar; but the Finns regard themselves as akin to the Scandinavian peoples. In religion almost all are Protestant (Lutheran). They are primarily a nation of peasant proprietors, but industries are rapidly developing. Finland has the distinction of having been the first country to adopt Woman suffrage (1906).

Finland has an area roughly twice that of England and Scotland. The bulk of the population, rural and urban, lives in a relatively small area in a U-shaped belt along the coasts of the Gulf of Bothnia and the Gulf of Finland and Lake Ladoga. Two-thirds of the towns lie in this belt. Within this belt, in rather higher country, there lies a district cut up by a great number of lakes. The third largest town, and the second industrial centre, Tampere, lies at the south-west edge of the lake district. Helsinki, the capital, with 300,000 inhabitants is the only town of over 100,000.

Finland is a rocky forest country, the cultivated land lying mainly in the river valleys. It is characterised by farmsteads framed by forest. About a fifth of the people live in the towns. The farming and the forestry are mainly conducted together, the latter providing winter work. The forests are the basis of Finland's principal exports and her chief industries.

Finland connects with the U.S.S.R. South of Lake Ladoga through the Karelian Isthmus. The frontier across the Isthmus is some 50 miles long and at its southern end only 22 miles from Leningrad. This frontier is strongly fortified, on the one side by the Mannerheim line, and on the other by the fortifications of Leningrad. At the further end from Leningrad the Isthmus is nearly cut through by lakes. Along this isthmus runs the only railway into Russia.

The frontier runs some 75 miles across the centre of Lake Ladoga, the largest lake in Europe. Thence it runs north along the Karelian ridge which form a southward-bent continuation of the mountains of Norway and Sweden. Finland runs north some 700 miles from the latitude of the Shetland Isles on the Baltic to a short strip of Arctic coast in Petsamo. This east frontier lies from 50 to over 100 miles from the Murmansk railway and the Leningrad-White Sea Canal. A Finnish railway runs

from 20 to 50 miles from the southern portion. The north of Finland is almost uninhabited and little productive, except for nickel deposits in Petsamo. It is bounded on the north by Norway and on the west by Sweden. The Finnish Railways connect with the Swedish at the head of the Gulf of Bothnia, but the guage is different. There are no railways to the north coast, but there is a road, the Arctic Highway, to Petsamo.

The Finnish Aaland Islands lie across the entrance to the Gulf of Bothnia. The entrance to the Gulf of Finland is some 60 miles wide from Hango in Finland to Baldiski in Estonia. There are several Finnish Islands in the centre of the east end of the Gulf. The U.S.S.R. is establishing a naval base at Baldiski and wishes to have another at Hango. It also desires to use some of the Finnish islands in the Gulf of Finland.

Strategic considerations:

Leningrad is the Achilles' Heel of the U.S.S.R. It is the second city of the Union and a great industrial and ship-building centre; it lies on the Baltic coast, within artillery range of the Finnish frontier and 100 miles from Estonia. Leningrad is very vulnerable to any Great Power which can control the Baltic and the Baltic States and Finland. Finland offers the best land base for an attack on Leningrad. The concern of the U.S.S.R. to control both the Baltic and these Border States can be understood in terms of national defence, in so far as she may regard herself as threatened by Germany, or by any Great Power or combination which can operate in the Baltic. It would be difficult to supply forces in Finland except through the Baltic by sea. There is no railway from the Arctic. There is a rail connection across Sweden to Narvik on the Norwegian Atlantic coast, and a longer route round to Oslo, with a change of guage at the Finnish frontier. So, whilst limited aid can be sent to the defence of Finland, it would seem impossible to conduct an offensive on the U.S.S.R.

Finland, on the other hand, has an 800 mile frontier with an enormously greater neighbour. Fortunately, this frontier is for the most part difficult of access and the country behind it of no great importance. Most damaging would be a break through across "the waist" of Finland, cutting the rail connection with Sweden. This involves a 200 mile drive across difficult country from the Murnansk railway. The obvious line into Finland is south of Lake Ladoga, along the Karelian Isthmus and thence along the coast. Such an attack must be held on the Isthmus, which provides a strong defensive position with its fortifications and lakes. To the north of Ladoga there is a

50 mile gap between the Russian and the Finnish railways and the advance must be made through fairly narrow stretches of land between the lakes. Moreover, the wooded country favours the defence. The terrain is one on which it is difficult to bring to bear the advantage of great masses and the power of resistance of Finland is far greater than her small population would suggest.

A Swedish Colony.

Finnish history can most easily be divided into four periods: from 1152 to 1809 it was a Swedish colony; from 1809 to 1898 it was under Russian rule, but had a considerable autonomy; from 1898 to 1917, a period of intensive russification leading to the civil war of 1917, and the period of her independence since that time.

The Swedes first went into Finland in 1154 and carried out a religious crusade to convert the Finns to their religion. The Finns were mainly left alone to develop their own social organisations, and even their own currency. The Swedes did little in the way of colonisation, except round the coastal areas, where they often intermarried with the Finns, and produced the Finnish minority, known as the Swedo-Finns.

As Sweden developed, so the Swedo-Finns became more powerful and many of them were given grants of land for their services in wars against Russia or in putting down risings by the Finnish peasants against the Swedish nobles. By 1654, according to Mr Hampden Jackson, referring to the Swedo-Finns:-

"two-thirds of the land and nearly half the revenue was in their hands. After the middle of the seventeenth century, when there was little tolerance and less foresight behind Sweden's government, these soldier-nobles became a ruling caste. Instead of being the servants of a benevolent ruler, they were left free to develop as an irresponsible aristocracy. They quashed the old democratic parish councils, whose power they transferred to themselves as provincial governors. They oppressed the yeoman farmers until these were reduced to tenants owing rent in labour and kind to landlords who were often absentees. Attracted by the rising prestige of Sweden, they became more Swedish and less Finnish in the 16th century and to some extent in the 17th, thereafter spoke Swedish, and Swedish became the language of schools, law-courts and local government. Finnish... was reduced to the language of the uneducated masses."

("Finland" by J. Hampden Jackson)

For years Finland was the pivotal point in the wars between Sweden and Russia. When Russia won the "Great Northern War" in 1721, the Treaty of Nysted gave Ingria and the province of Viipuri to her, and this provided an opportunity for the growth of an autonomous movement in Finland.

A Czarist Protectorate.

The period of powerful Swedish Kings was over; the Diet in Stockholm was all powerful. There were Finnish representatives there, but they were in a minority in all four of its sections, Nobles, Clergy, Burghers or Peasants. If they could become an autonomous state, then the Finnish Nobles, and especially the Swedo-Finnish Nobles, could have a free hand in their own country. The movement came to a head when a Swedo-Finn Colonel named Sprengtporten persuaded his fellow-officers to mutiny when they were called up by the Swedish King, Gustav III, to fight in the war against Russia in 1788. Sprengtporten wanted a Finnish republic under Russian protection, and suggested that "Sweden should be bought off by the acquisition of Norway." The mutineers, known as the Anjala League, also sent the same proposal to Gustav, who hurried through legislation giving the Monarchy full control of foreign affairs. He then returned to Finland, defeated the Russians and signed a peace with Catherine the Great, leaving things as they were. The Anjala League had no mass support.

By an unexpected sequence of events, Finland became a pawn in the game of Napoleonic imperialism. Napoleon was anxious to undermine Great Britain by closing the Baltic to British trade. He, therefore, made an ally of Denmark and tried to do the same with Sweden. Sweden refused, with the result that Napoleon made a Treaty with Russia (at Tilsit), by which Czar Alexander I was persuaded to make war on Sweden with a promise of Finland when the victory had been won. The war continued until September 17th, 1809, when Sweden at last gave in and signed the Treaty of Fredrikshamm, by which she signed away to Russia the Finland which had been Swedish for more than 500 years. A new capital was built at Helsinki, and Sprengtporten, who had fled to Russia when his mutiny was unsuccessful, became the first Governor-General, representing the Czar in Helsinki.

Finland had obtained Home Rule in the Irish sense of that phrase. Alexander, the Czar of all the Russians, became a Monarch in Finland with constitutional limitations. He announced in 1810:-

"The maintenance of the Religion and the Laws, the formation of a State Council in the Nation's midst, and the inviolability of the judicial and administrative authority, afford sufficient proofs to assure the Finnish nation of its political existence and the rights appertaining thereto."

The country was largely autonomous for the rest of the century, with her own Lutheran church, her law courts and schools and the control of her customs, and the people were even free from military service though it was compulsory in Russia. The country was at peace, too; once only in the 19th century:-

"was the sound of gunfire heard on her shores - that was when a Franco-British fleet bombarded Sveaborg in August 1855, during the Crimean War, and forced the demilitarization of the Aaland islands." (Finland. by J. Hampden Jackson, page 52).

But the Finnish people were not satisfied. The country was ruled by the Swedo-Finnish aristocracy which kept all the best administrative posts for itself.

Then came the development of a Finnish nationalist movement. It started with a cultural renaissance in which Finnish writers of such works as the famous saga, the "Kalevala," wrote in the Finnish language and gave the history of the people a written tradition. This led by a quite natural sequence to the demand among people to learn Finnish - the language most used was Swedish - and this led in turn to the demand for schools. One of Finland's great national reformers, Johan Vilhelm Snellman, wrote in 1840:-

"The educated class has not the slightest interest in the physical or spiritual well-being of the masses. Who among the men running the country are touched by the misery of the rural regions? What university graduate cares to lift a finger for the education of the Finnish common folk? The mass of the people are turned inward because of long-continued oppression.. The bulk of the nation can never be raised so long as Swedish remains the language of administration and instruction."

Simultaneously with this national movement came the industrial developments centred round the use of Finland's water power for cotton-spinning mills and for pulping wood, and water for communications.

Finland now became a coveted country; Sweden realised her value and Russia found it worth while to assist in her development. The nationalist movement found a new supporter in the Czar, Alexander II, and under the Russian patronage, the first state-aided school in Europe was built in 1863, and in 1863 he issued an edict by which Finnish became the alternative to Swedish in municipal and other documents. The Diet was found to have a

use; after a silence of 54 years it was suddenly called in 1863, and 6 years later a new Constitutional Law was passed which arranged for its meeting at intervals of not longer than 5 years. This Constitution retained the same basis of representation. The Diet consisted of the four Estates of Nobles, Clergy, Bourgeois and Peasants, and the representatives of the peasants were "chosen by an indirect election which left the last word with the land-owners."

But the relatively liberal Alexanders were succeeded by Nicholas II and the Russian government began a policy of Russification. A new Governor, General Bobrikov, was sent to Helsinki in 1898, and one of his first actions was to obtain the backing of St Petersburg for a manifesto, on February 15th 1899, which meant that Finnish Bills would be drawn up by Russian Ministers including the Secretary of State for Finland, and that they would be submitted to the Diet only if they concerned Finland exclusively. At once there was a strong reaction. In 2 weeks people who were risking their lives in so doing, travelled immense distances over snow and ice and collected 522,931 signatures (out of a total population of 2,700,000), to a Petition which was carried to St. Petersburg without General Bobrikov's knowledge, by 500 men representing practically every parish in Finland. But Nicholas refused to receive them, and from this time onwards there was a period of ruthless oppression and Russification in Finland. Freedom of speech and assembly were abolished. The Finnish police, provincial governors and mayors were replaced by Russians. 300 civil servants were dismissed from their posts. The teaching of Russian was compulsory in the schools; the Finnish Army was disbanded and the barracks filled with Russians. 15,000 out of 25,000 conscripts called up to serve refused to do so.

The second period of Russification began in 1909. A bill rushed through by the Russian Duma in June 1910 removed from the jurisdiction of the Finnish Diet all such matters as taxes, military service, the rights of Russian subjects in Finland; public order, criminal law, public education, public meetings, press laws, customs communications and post etc. It was such an obvious deprivation of liberties in Finland that in England and in France where treaties had been recently signed with Russia, protests were organised. In England 120 M.P.'s signed a protest; in France 100 French Deputies did the same. Nine of the leading international lawyers in Western Europe signed a statement to the effect that this Bill was a breach of Finland's constitutional rights.

When the European war started in 1914, the Finnish merchants were able to make tremendous sums by exploiting the war market in Russia. Profits soared, but not wages. The Trade Union Movement grew rapidly; so did the Social Democratic Party which won a clear majority in the Diet in 1914. It made little difference as the Diet was not summoned. The last stage of Russification commenced in 1915 when Finland became an outpost in the system of Russian defences. The Finnish people regarded this as a further plan to enslave them.

PART 2.Finland and the Russian Revolution.

The reaction against Russification was so violent that when the European war broke out the Tsar dared not force the Finns into his active service. The Activists, as those who were working for Finnish autonomy were called, tried to find support in Germany for the provision of military training for a Finnish patriotic force, and as early as 1915, 2000 young Finns were incorporated in the 27th Jaeger Battalion, and fought against the Russians on the Eastern Front.

At the time of the March Revolution in Russia, the Finns hoped that their time too had come for independence. Mr Philips Price, then correspondent of the "Manchester Guardian" in Moscow, describes an interview he had at that time during a visit to Helsingfors, with Senator Tokoi, one of the Social Democrat leaders:-

"Finland's internal development has been hindered," "Senator Tokoi pointed out, "because, while not actually at war, she has been forced to incur heavy expenses as the result of the military occupation of Finland by Russian troops. With finances burdened in this way we cannot introduce the social reforms needed by our people. Therefore, we consider that Finland has a right to, at any rate, internal independence."

(Reminiscences of the Russian Revolution by
M. Philips Price. page 58)..

Accordingly, on July 8th 1917, the Finnish Diet assumed full powers for itself without asking permission of the Russian Government. The Kerensky Government replied by dissolving it and fixing new elections for October. At these the Social Democrats were returned as the largest party but failed to win an absolute majority. The delay, however, did not prove long, for Kerensky, himself, was overthrown and the Bolsheviks took power at the beginning of November. When the Finnish Diet proclaimed its independence on December 6th, it encountered no opposition from the Soviet Government. On January 4th, 1918, Finnish independence was formally recognised by the Soviet Government. Sweden, Norway, France and Denmark followed her example.

Now follows a confused and complicated period in Finnish history. The reactionary forces in Finland, frightened by events in Russia, had begun to organise against the Trade Unions and the Social Democrats. The workers, however, were strong enough to resist and to overthrow the coalition government on January 22nd; a new Government was formed at Helsinki which included all the Left groups. On January 29th, they proclaimed

Finland a Socialist Workers' Republic. It is interesting today to notice that this Government, which drafted the first Constitution for a Socialist Workers' Republic in Europe, contained O. Kuusinen, named in 1939 as the President of the People's Republic of Finland

Mr Philips Price, in the book already mentioned, thus describes the position as he saw it in reports which poured into Moscow:-

"On February 7th news arrived that the Workers' Committees in the southern Finnish industrial centres had taken power and formed a Government resting on industrial councils. The middle-class Government had retired to North Finland where it was relying upon the well-to-do peasantry of those regions. On the same day a special Commissioner came from Helsingfors from the revolutionary Government to establish contact with the Russian Soviets. The Commissioner was none other than the Socialist Deputy of the dissolved Diet, Tokoi, with whom I had discussed the question of Finnish independence under the Kerensky coalition. He had said at that time that, as long as the old bureaucracy of Tsarism remained, it was necessary for the Border states to aim at absolute independence. Now, however, a complete social revolution had come in Russia, and the whole power rested on another basis. This would enable the proletarian and lower middle classes in the Border States, and certainly in Finland, to enter some sort of federation with Soviet Russia. "Indeed," he added, "they would be compelled to do so, if they intended to realise Socialism, for they would probably be blockaded by the capitalist Powers of the West and cut off from overseas sources of supply."

(Reminiscences of the Russian Revolution by
M. Philips Price. page 232).

Meanwhile, the White Guards were being organised in Vaasa by General Mannerheim, a Swedo-Finn Officer in the Russian Imperial Service. The training was done by the German-trained Jaeger officers and some Swedish volunteers. The Vaasa Committee insisted that it was the sole legal government of Finland and negotiated with Sweden and Germany for military support. Svinhufvud, the leader of the "Young Finns," who had been imprisoned in Helsinki, escaped to Germany, where he met on March 12th, General Graf Rudiger von der Goltz in Berlin. The German Imperial Government had given von der Goltz the task of aiding the Finnish White Guards.

The history of this civil war has to be built up largely on "wildly conflicting evidence supplied by belligerents." But there is one book - "Meine Sendung in Finland und im Baltikum" by Von der Goltz, in which the story is told from the angle of the Germans who helped Mannerheim to crush the Socialists.'

Already before the landing of the Von der Goltz expedition on April 13th 1918, the 27th Jaeger Regiment (composed of Finnish students who had been thoroughly trained and equipped in Germany), had returned to Finland, under the command of an officer named Ansfield, to assist General Mannerheim. General Mannerheim, himself, wanted all the glory of defeating the "Reds." Svinhufvud, on the other hand, was friendly to Germany, realising that it was impossible to break the resistance of the Finnish Red Guards without Germany's help. Even Mannerheim was convinced later, and on March 20th, telegraphed via Stockholm to Germany:-

"Please tell Thesleff that I consider it our duty to hasten the arrival of the German expedition. To put it off would be fatal."

(Meine Sendung in Finland und im Baltikum, page 50).

On May 16th, both Mannerheim and then Von der Goltz entered Helsinki, and the civil war was mainly at an end. This, however, was but the signal for one of the worst terrors of modern times. An independent observer in an article in the NEW STATESMAN of that time writes:-

"The number of men and women captured by the Whites or arrested during the first week of May amounted to about 90,000. Of these between 15,000 and 20,000 were shot out of hand without any form of trial. A common method of procedure was for a batch of Red prisoners to be paraded and every tenth man taken and shot, as a beginning. After that it sometimes happened that every tenth man was taken again from the remainder. Then the ranks of the survivors would be searched more discriminately and men or women known or declared by some "White" present, to be "specially dangerous" would be picked out and despatched. In this way, 500 were executed at Rebemaki; 2000 at Lahti; 4000 at Viborg; 600 at Tammerfors; 450 at Vichti, and so on. At Lahti over 200 women were taken out early one morning in the second week in May - a fortnight after the end of the fighting - and mown down in a batch with machine guns (said to have been worked by German gunners), in a few minutes.....

...When these proceedings - which were carried out by the various local White authorities with or without the approval of the Civil Government - were finished, there remained at the beginning of June about 74,000 male and female prisoners. These were confined throughout the summer and autumn in prison camps, where they were subjected to a regime of almost incredible barbarity. Thousands were starved to death in the literal sense of the words..

"....Taking the number executed together with the deaths from starvation, it appears that the White Terror destroyed some 30,000 lives as compared with the 1000 destroyed during the Red Terror."
(New Statesman, April 19, 1919).

During the period of this White terror, there were important political developments. General Mannerheim had resigned after a dispute with Svinhufvud. According to Von der Goltz:-

"Mannerheim had the deliverance of Russia with the help of Finnish troops very near to his heart, whilst the Government did not wish to spill a drop of Finnish blood for this object. He did not want the new Finnish army, now being trained by German officers, completely under German control....At the end of the war, the Entente tried to use Mannerheim in order to win over Finland. But this distinguished man of the world remained throughout strictly honourable. Gradually he was pulled over to the side of the Entente, but he never became hostile to Germany."

(Meine Sendung in Finland und im Baltikum. page 82/84).

In May 1918 the Diet was recalled, but only 109 out of 200 members were present as only one Social Democrat was allowed to sit in it. Svinhufvud was elected Regent, and his first action was to ask Kaiser Wilhelm to put one of his sons forward as King of Finland. On October 9th 1918, the Diet elected the Kaiser's brother-in-law, Prince Friedrich Karl of Hesse, King of Finland by a majority of 75 to 25. But on November 9th, Germany collapsed and with this collapse the scheme for a German king of Finland broke down. Svinhufvud resigned on November 13th, and Mannerheim took his place as Regent.

The atmosphere of the civil war still remained. In February 1919 a Times correspondent wrote:-

"The internal situation in Finland may be described as a state of suppressed civil war, with the emphasis on the word "suppressed.".....The authority of the Finnish Government rests at present entirely on the White Guards, a body of between 50,000 and 60,000 men recruited exclusively from the ranks of the bourgeoisie. This corps is armed with rifles and is kept always and everywhere very much in evidence as a calculated reminder of strength. There is also a regular Army, but as this is recruited by conscription from all classes, the Government very wisely reposes little confidence in it. With its White Guards stiffened by the German-trained Jaegers, the Government feels it is strong enough to face any situation. In a certain sense, indeed, it is probably stronger than any other Government in Europe. There is no possible fresh revolutionary movement which it could not deal with, no strike which it cannot

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instantly suppress. It has not hesitated to exclude from the present Diet, all but one of the Socialist members who number 92 out of 200, and with the Bourgeois rump that remains to pass many important laws including one altering the franchise.....

.....What the outcome will be, it is impossible as yet to forecast. One can only say that there exist in Finland all the elements for a struggle of classes far bloodier and more terrible than anything that has yet taken place in Russia. The practical question is whether a Government whose authority is based on democratic forms, can permanently maintain itself against the will of the mass of the working class by means of such an instrument as the White Guards.

It is the misfortune rather than the fault of the Finns that, comparatively speaking, they are politically uneducated. On both sides there is a noticeable lack of strong and experienced leaders. The upper classes do not yet realise that the maintenance of a class war in its crudest form can never in the long run be of advantage to them; that it is their business to conceal rather than emphasise the cleavage if they desire a peaceful political and economic development. But while the Whites treat the Reds as pariahs and the Reds regard the Whites as butchers, co-operation is not possible.

In short, it is to be feared that Finland's long tale of misfortune is not yet ended. It has the forms without the traditions of democracy and freedom, and, like Russia, the task of working out its political salvation is still before it." "Times. 11/2/19).

In April 1919 elections for the Diet took place, and the Social Democrats gained 80 seats. A ministry of the three republican, middle-class parties was formed to draw up the constitution which gave the Diet the sole power of making laws, but gave the President the right of issuing edicts if they were not in contradiction to existing laws. The "White Guards" were maintained as a component part of the standing Finnish Army and they were given legality.

In 1920 the Communist wing of the Social Democratic Party broke away from the Moderates and called themselves "The Finnish Labour Party," (the term Communist was illegal). They won 27 seats at the 1920 elections and retained them in 1922. By this time a wave of anti-Bolshevik feeling had developed, and this was exploited by Kyosti Kallio, the leader of the Agrarian Party, who formed a ministry in September 1922. His land policy, subsequently embodied in the Lex Kallio, was supported by the Social Democrats, but strongly opposed by the Communists. It laid the future foundation of Finland's agricultural developments and the structure of its rural society.

The Character of Independent Finland: Economic &
Social; Culture; and Politics.

At this stage we may conveniently pause in the historical narrative to give a general picture of modern Finland.

Finland is primarily agricultural, and 60% of her people work on the land. The urban population is some 17% of the whole. The towns are of fairly recent building, so that there is an absence of slums, though the accommodation is low by British standards. While a big expansion of industry has been taking place it has not led to a corresponding increase in the industrial population because of the adoption of labour-saving machinery.

Livestock farming predominates in agriculture and Finland exports butter, cheese and eggs, which constitute nearly a tenth of her total exports. The extension of arable farming has gone far to reduce her dependence on imported cereals, but the short summer and sudden onset of winter makes the crop precarious. Finland's main source of wealth lies in her vast forests of pine, spruce and birch, which provide her with fuel and building material and with the raw material of four-fifths of her large export trade, and the basis of her principal industries. A third of the timber is consumed locally, and one-half within the country. The other half is exported as round or sawn timber, plywood, spools, pulp and paper.

Finland has an ancient tradition of peasant proprietorship, and her policy has been to return to small holdings. And the farm holdings are commonly associated with pieces of forest, the sale of timber forming an important item in the farmer's trade. The division of forest ownership is best expressed in terms of annual increment, rather than acreage. The State owns one-fifth; companies a tenth; and private owners (mostly small-holders) two-thirds. Large estates are exceptional and a third of the holdings are under 25 acres, and two-thirds under 50.

The wise husbandry of the forests is secured by law and the supervision of Forestry Boards. Agriculture has been protected by tariffs and aided by export subsidies, while the State assists with education, research and advice. But the Finnish farmers have, themselves, done much for their craft and trade by the long-established habit of co-operation. Co-operative dairies and a co-operative export association handle the exported dairy produce. There is co-operation in other products, and in the supply of materials and machinery for the farms. Credit is supplied by a Central Bank for Co-operative Societies, and nearly a third of the total indebtedness of the farmers (some 15% of their total assets) has been provided by co-operative societies.

Finland's industry, employing some 15% of her people, is based mainly on timber and hydro-electric power. She has been recently the world's largest exporter of sawn wood, and 45,000 workers find employment directly in the sawmills. So this long established industry there has been added the manufacture of plywood and spools and of paper and pulp, the latter utilising the waste of the sawmills. Today paper and pulp exports constitute half the export of timber products. In addition to the wood-working industries, the metal and machinery and the textile and clothing industries each provide work for 40,000 workers.

The firms in the woodworking industry co-operate in research and in marketing their products through various trade associations. The State has some interests in Finland's enterprises, in some cases a controlling interest. Nearly a fifth of the Revenue is derived from State property, forests, railways, power stations and industrial holdings.

The reconstruction and development of Finland after the Civil War required the use of foreign capital and loans have been raised particularly in Britain, the U.S.A. and Sweden. In recent years much of this has been repaid. In the last five years the share of the national debt held abroad was reduced from 70% to 25%. 75% of the capital of her mortgage institutions was foreign in 1934 and the proportion had been reduced to little over a half in 1938. She has generally had a favourable balance of payments, particularly in recent years.

Finland has some mineral deposits, the most important being copper and nickel. The working of the nickel in Petsamo was leased by the State to a subsidiary of the Mond Nickel Co. The largest copper ore deposit in Europe is the property of the Finnish State.

The unbalanced character of Finland's resources makes her very dependent on external trade and ties her prosperity to that of other countries, particularly to that of Britain, her chief customer. Britain took 45% of Finland's exports in 1938; Germany 15%; the U.S.A. 9%; and Sweden 5%. Finland drew her imports - 22% from Britain; 20% from Germany; 13% from U.S.A. and 12% from Sweden. Since 1929 Britain has increased her share in Finland's markets from 38% to 45%, while she has played a much bigger part in supplying Finland, imports from Britain having risen from 13% to 22%. Germany's share in Finland's imports shrunk over this period from 38% to 20%. This change is connected with the abandonment of the gold standard by Britain and Finland and its retention by Germany.

The organisation of the industrial worker in Finland has had its ups and downs, not unconnected with the conflict between Communism and Social-Democracy.

"It may be said on the whole that Trade Unionism has not made much progress in Finland. The proportion of organised labour is very much smaller than in the Scandinavian countries and trade union funds are restricted."

(British Board of Trade report, August 1938).

The movement developed rapidly after the formation of the Labour Party in 1899 and by 1917 trade union membership had risen to 160,000. It fell to 20,000 in 1918. From 1918 to 1930 the unions were under Communist control and these unions collapsed in the Lapuan assault and the legal suppression of Communism that followed (see next section). A trade unionism affiliated to the International Federation of Trade Unions has been building up since, under Social-Democrat leadership and the membership is now 70,000. The unions are mainly on a industrial basis.

"Labour secured an 8-hour day in 1917 (except in agriculture). As to wages, Sir E.D. Simon says:-

"Wages in Finland are about half those prevailing in Sweden.

On the other hand, prices are low too, so that although the wage is low the standard of living is comparatively high."

(The Smaller Democracies, by Sir E.D. Simon.)

A notable feature of Finland's economy is the large part played by Consumers' Co-operation, which, with 60,000 members handles some 30% of the whole retail trade. Co-operation began among the industrial workers in 1901 and in 1904 a Co-operative Wholesale Society (S.O.K) was founded. In 1916 a division of opinion as to the attitude to be adopted towards trade unionism and Social-Democracy led to a secession of urban societies and the formation of a new wholesale society, the O.T.K. From this dates the division into the Neutral and the Progressive Societies. Whilst neither is affiliated to a political party, the Neutrals tend to Conservatism and the Progressives to Social-Democracy. Membership is roughly equal, but the Neutrals have the greater number of societies and the greater turnover.

"The co-operative movement in general has exercised a nationwide influence on the education of large sections of the community in the principles of self-government, collaboration and business management on voluntary lines." (Finland Year Book).

On the cultural side, Finland is noteworthy for the quantity and the quality of the demand for books, periodicals and newspapers, and visitors comment on the widespread and excellent bookshops (Hampden Jackson). Much was done in the past for education by the Church, by Workers' Educational Clubs etc. and over a century ago the ability to read was widespread. A state system of elementary education was instituted in 1866 and a Compulsory Education Act was passed in 1921. This Act came into general force in 1937, with certain exceptions of areas postponed to 1942 and 1947. The number of pupils in the elementary schools has been doubled in the last twenty years and a high proportion pass on to Secondary Schools and Universities.

There has been similar expansion in the sphere of Public Health. These twenty years have seen the number of hospital beds increased some 150%; a doubling of the number of doctors in State service and

private practice; and much bigger increases in the numbers of dentists and of nurses. There has long been a system of Poor Law Relief and the expenditure on Public Assistance has been rising rapidly. There is no system of Unemployment Insurance. Provision for Old Age Pensions was made in 1939. Finland is naturally behind the other Scandinavian countries in Social Services; but she is making good progress.

The Finnish Constitution mainly dates from 1906, when Finland led the world in Woman's Suffrage. It assigns to the President considerable powers. He is the supreme executive, not legally bound to accept the advice of his Ministers, though usually so doing. He can veto legislation, but his veto can be over-ridden by the Diet after another general election. He is elected by a college selected by the whole electorate by proportional representation and he serves for six years. The Diet is elected proportionally every three years or when dissolved by the President, and the Ministers require the confidence of the Diet. The Franchise extends to all citizens over 24 years of age. The present constitution of the Diet is:-

| | | |
|---------------------------------|----|------|
| Social Democratic Party. | 85 | (83) |
| Agrarian Union | 56 | (53) |
| National Coalition Party | 25 | (20) |
| Swedish People's Party | 17 | (21) |
| Patriotic People's Movement | 8 | (14) |
| National Progressive Party | 6 | (7) |
| Small Farmers' & People's Party | 2 | (2) |
| Alanders | 1 | (-) |

(The figures in brackets refer to the previous election of 1936.)
The Government from 1936 has been a Social Democrat/Agrarian/
Progressive coalition.

Some comment on the party names may be helpful. The Social Democrats are a moderate Socialist party, affiliated to the Labour & Socialist International. Their outstanding figure is Vaino Tanner, Premier 1926/27, Finance Minister and now Foreign Minister. The Agrarians represent the Farmer interest. The President, Kyosti Kallio is an Agrarian. The Progressives are a Centre or Liberal Party and include the war Premier, Risti Ryti, Governor of the Bank of Finland and his predecessor, A.K. Cajander. The National Coalition, a fusion of two earlier parties, is Conservative. The Swedish Party and the Alanders reflect the Swedish-speaking minorities. The Swedish Party, while divided in policy, is mainly Conservative. The Patriotic People's Movement is a fascistic residue of the Lapuan Movement discussed in the next section. The attempt of the Diet to outlaw them was thwarted by the courts. The Communist Party was made illegal in 1922 when it held 27 seats. Reformed as the Workers' & Small Farmers' Party it held 23 seats in 1929, but was dissolved by law in 1930, the opposition of the Social Democrats being just insufficient to prevent this action..(the passage or amendment of a "fundamental law" requires a two-thirds majority). In the absence of a legal Communist Party, the Social Democrats evidently obtain the Communist vote.

BOOM AND SLUMP.

In the post-war period Finland had two great natural assets, her land and her forests, and two great liabilities, the heavy debts contracted in the war years (the period of the White Guard fights and the Karelian venture) and the loss of her best customer, Russia. The first liability was minimised by inflation and by Risto Rytö's stabilisation of the mark in 1924 at one-sixth of its former value. By this inflation, industrialists and farmers were able to pay off their debts on the easiest terms and exporters were given a favourable opportunity of penetrating new markets. The assets were increased by the application of new machinery and electric power to wood-working, and by the increased demand, especially from Great Britain, for timber, sawn wood, pulp, paper, plywood, cellulose and other wood products.

The mainspring of the boom was in the export of wood products. Prices remained high and the volume of trade increased: between 1922 and 1927 the amount of timber cut for export purposes increased by 63%. The effects of this were felt by every class of the community. Exporters realised big profits and extended their plant: agricultural workers found plentiful winter employment in the timber camps. There was more money available for consumption purposes, and consequently imports of foodstuffs - particularly cereals, sugar and coffee - increased and new home industries were set up to cater for manufactured goods and for housing accommodation. The building trade enjoyed the greatest expansion - the towns of Finland were practically rebuilt during this period. Altogether the number of industrial workers increased by 19.8% and the capacity of the home industries by 40.7%.

The first sign that the boom was nearing its peak came early in 1928. The danger signal was given by the wood industry. The four great timber exporting countries of Europe, i.e. Finland, Sweden, Poland and Russia, had increased their output by 25% between 1926 and 1927; this was more than the market could bear without a severe fall in prices, and from such a fall Finland had most to lose, for wood products constituted 83% of her total exports, while they were but 55% of Sweden's. In May 1928 the Finnish Sawmill Association agreed to restrict production by 10%.

The second danger signal took the form of a financial crisis. The boom had been accompanied by a shortage of capital. The Government tried to meet the need by investing 220,000,000 marks in the current accounts of commercial banks in March 1928, but in August this money was needed for other purposes and the loan was withdrawn. Producers now found themselves in great difficulty for capital. Farmers who relied on short-term loans had to pay

more for their advances, much more than many of them could afford, as is shown by the number of auctions of real estate which increased five-fold between 1927 and 1929. Industrialists turned to foreign loans, especially in the building industry, where large sums were raised abroad to complete contracts for residential buildings.

The year 1930 was the worst. The symptoms were falling prices which led to loss of profits, loss of trade, unemployment, trade barriers, increased taxation and an attempt to reduce wages and allowances of the working class.

The beginning of the slump hit the small-holders more severely than any other class of the community. In 1928 there was a failure of the harvest, as well as the rise of interest rates on short-term loans. In 1929 they were faced with the scarcity of employment in the lumber camps, on which many of them depended for their living in the hard winter months. The Finnish unemployment figures include a unique category labelled "Landowners;" there were 7800 landowners registered as unemployed in December 1930. The industrial workers did not feel the slump until later; in the building industry, for instance, unemployment did not become severe until 1931.

PART 5.

THE LAPUAN MOVEMENT.

It was at this period that we first hear of the Lapuan Movement. In March 1930, a meeting was held in Lapua, and an association formed "to combat communism." The members were mainly farmers "who had been encouraged by their pastors to believe that Communism was an insult to God as well as a menace to private property." A printing press was smashed on March 27th because it printed "Labour's Voice;" on July 5th, two Communist members of the Diet were kidnapped and taken to Lapua for punishment.

The Prime Minister, Kyosti Kallio, bowed before the storm. He suppressed the Communist press and then resigned. A "National Government" was then set up, representing all the propertied parties and the new Premier was Svinhufvud. There were no Lapuans in the new Cabinet. Their organisation was now strong enough to stage a march on Helsinki on July 7th. These 12,000 farmers were welcomed by President Relander and General Mannerheim, and their spokesman, Pastor Kares, demanded:-

"the expulsion of Communism in this country from every public field to that subterranean darkness where crime dwells and which is the field of labour of the criminal authorities...."

(Finland by J. Hampden Jackson. page 148).

Premier Svinhufvud acted at once. He had the twenty three Communist M.P.'s arrested on July 8th, and on July 9th tried to force

through three bills which would have completely suppressed the Communists, restricted the freedom of the press and given the Government power to deal with emergencies by ordinances. The Social Democrats refused to support it, with the result that the Diet was dissolved on July 15th and a general election announced for October.

The Lapuans resorted to "the most illegal forms of election-eering." They formed no separate political party but supported all right-wing organisations. They kidnapped the leader of the Social Democrat Party and frequently abducted Socialists and Communists without any action being taken by the Government which "connived at these excesses."

In October the elections passed without incident and the Social Democrats won 66 seats out of the 200 in the new Diet. If they had won 67, they would have had the one-third minority necessary to block the Lapuan legislation. As it was, the anti-Communist bill went through by 134 to 66 on November 11th. The Communists were now outlawed, and if this had been the only object of the Lapuan Movement, it could have closed down. But:-

"The Lapuan Movement did not die. Shorn of popular support it stood out for what it essentially was; a conspiracy of certain capitalist interests to establish a form of Fascist dictatorship in Finland. It was financed by the Neutral Co-operative Movement which hoped to crush the Progressives, and by the timber exporters who hoped to reduce the timbermen's wages. Private banks are said to have paid 15,000,000 marks into the funds of the movement. The chiefs of the army had been implicated in Suomen Lukko (Lapuan) and had alarmed the Soviet Government by their liason with Polish military authorities...."

(Finland, by J.Hampden Jackson, page 160).

In 1932 it was rumoured that General Kurt Wallenius, who had now become Secretary-General of the Lapuan Movement, was planning an armed rising with certain leaders of the Civic Guard, a survival of the White Guard of 1918. The plans were upset by a premature rising of a certain section of them, which took place during the last week of February 1932. After a press and broadcast campaign by President Svinhufvud, the rebellion collapsed. Six thousand of them surrendered their arms...only three to four stood fast round Wallenius at Maentsala. They were surrounded by loyalist troops and eventually they dispersed quietly. The rising which had lasted for seven days, ended without a shot being fired on either side...."

After this premature and unsuccessful rising, the Lapua Movement fell to pieces, but it appeared again in 1933 under the new name of "The Popular Patriotic Movement," and it will be found in the section dealing with political parties.

Finland and Foreign Powers.

After the revolution in Finland had been defeated by German troops, it was natural for a time, at any rate, that German influence should play a considerable part in Finnish politics. Finland was technically a neutral power, but the strategic Murman coast was used by German submarines for the purpose of attacking British and neutral ships. Mr. Balfour, speaking in the House of Commons on August 8th, 1918, said:-

"I may incidentally observe that, next to being enslaved by Germany, there is no worse fate than that of being liberated by her. Finland, for example, is now being told that she owes her freedom to Germany. But Germany is plundering her, garrisoning her, choosing her form of government and endeavouring to force her into the war."

(Hansard, August 8th 1918, col. 1628).

Following the collapse of Germany in November 1918, Finland's closest associations were with the Scandinavian powers.

Writing of the east Baltic States, Professor Toynbee says:- "These States were drawn together by the common fact that either the whole or the greater part of their respective territories had been carved out of the former Russian Empire, and by a common fear, springing out of this fact, that sooner or later the U.S.S.R. might attempt to reclaim the heritage of the Czarism."

(Survey of International Affairs, 1924, p. 458).

In 1924 Finland entered the Scandinavian Group at a Stockholm Conference which instituted permanent conciliation councils in pursuance of a League resolution of 1922. Cordial relations grew rapidly between Finland and Sweden and the other Scandinavian countries and treaties of compulsory arbitration were signed in 1925.

Finland concluded a similar treaty with Germany in 1925. Finland also felt at this time a community of interest with Poland, which also had reason to fear Russian revisionism, and Poland tended to dominate Baltic policy at that stage. Russia made offers of non-aggression pacts to Poland and the Baltic States, but Poland objected that the aim of these pacts was to divide these States. Subsequently, Poland became a less important factor in Baltic politics and more concerned with her relations with Germany, with particular reference to the Corridor.

Finland entered the "Oslo Group" consisting of the four Scandinavian countries, Holland, and Belgium, in 1930. The agreement provided for no raising of tariffs and joint action in promotion of trade. As a group, the Oslo countries normally market about 50% of their goods in the European states now at war, and obtain over 40% of their supplies from them.

After Hitler came to power in 1933, the reactionary forces in Finland had a powerful ally, and relations between the pro-fascist elements and the Nazis were very cordial. But this Nazi-Finnish co-operation was the source of anxiety to Great Britain, especially to those who believed that war with Germany might happen again, and to those who after the slump of 1931 were looking out for new markets. Further, Great Britain left the gold standard at this time, and Finland joined the sterling bloc.

In September 1933, commercial relations between the two countries were strengthened by a propaganda week in Helsinki attended by many British commercial agents, especially of the engineering and aircraft industries. "70 miniature models of British aircraft arranged by the Overseas Trade Department, with the aid of the Air Ministry," (Times, Sept. 5, 1933), were among the exhibits. At the end of September a Trade Agreement was signed by the two countries which "stipulated among other things for a minimum import of coal in return for British purchases of timber and food produce." (Times Trade & Engineering Finland Supplement, June 1936).

In January 1934, as the result of British pressure, the Finno-German Trade Agreement of 1926 was cancelled and the new agreement signed by the two countries in March 1934, gave none of the trade privileges to Germany which had been accorded to Great Britain four months earlier. In June of that year, the Mond Nickel Co. obtained a concession from the Finnish Government "for the prospecting and exploitation of nickel and other mineral deposits in the district of Petsamo."

In June 1937, a British Chamber of Commerce delegation visited Finland, which issued a report of Anglo-Finnish trade relations, suggesting that "every effort should be made by traders themselves, Finnish no less than British, to increase British exports to Finland." Germany was again becoming a serious competitor.

The following Table shows the four leading countries in Finnish imports and exports:-

| | <u>Imports from 4 leading countries.</u> | | | <u>June/Jan.</u> |
|----------------|--|--------------|--------------|------------------|
| | <u>1935.</u> | <u>1936.</u> | <u>1937.</u> | <u>1938.</u> |
| United Kingdom | 19.8% | 19.4% | 16.6% | 17.6% |
| Germany | 17.4% | 16.2% | 15.3% | 17.8% |
| Sweden | 9.2% | 11.1% | 11.5% | 12.1% |
| U.S.A. | 9.8% | 9.5% | 9.7% | 10.8% |

| <u>Exports to 4 leading countries.</u> | | | | |
|--|-------|-------|-------|-------|
| United Kingdom. | 44.6% | 46.4% | 43.1% | 41.1% |
| Germany. | 9.3% | 9.8% | 12.8% | 16.7% |
| U.S.A. | 9.1% | 9.3% | 7.9% | 10.1% |
| Netherlands. | 3.0% | 2.8% | 3.8% | 2.6% |

From these tables it becomes clear that Finland is largely a "client" state of Great Britain, and it follows that British influence directly or indirectly exerted must be very considerable

It is interesting to note that in 1913 Finland's imports from Russia were 28.3% and that by 1925 they had dropped to 3%, whilst her export figures to Russia for the same years were 28% and .8% respectively.

Lastly, to complete this figure of Finland's dependence on Great Britain, there should be mentioned outstanding Loan capital. On December 1938, the Industrial Mortgage Bank of Finland (President M. Paasikivi; London correspondents Hambros Bank and J. Henry Schroeder & Co) had an outstanding loan capital of £1,633,300 of which the London issue was £815,600. The remainder was raised in Finland, Holland and Sweden. Similarly the Municipal Mortgage Bank of Finland. On January 2nd 1939, the outstanding loan capital was £1,660,500. £1,200,000 was raised in London through Hambros and Higginson & Co. and the remainder in Holland and in Sweden.

But Britain's relations with Finland have not been confined to trade. In the war of intervention against the U.S.S.R. in which Great Britain took such a leading part, Finland provided military and naval bases. In Helsinki a British military mission was established in 1918-19 under General Gough. In 1918, British forces landed at Murmansk and Archangel - about 25,000 in all. On this Northern front of the war of intervention in which General Mannerheim was anxious to give his services after the defeat of the revolution in Finland, General Ironside (now Chief of the Imperial General Staff) planned an expedition to join Admiral Kolchak who was marching eastwards from the Siberian front. Later, British warships in the Gulf of Finland took part in the second expedition against the Bolsheviks and covered the advance of General Yudenitch. Since that time there have been frequent visits between important Officers of the Finnish and British Defence Forces, and in 1924-5 Sir Walter Kirke was mainly responsible for the reorganisation of the Finnish forces.

Finland's relations with Germany have already been described as most cordian, especially following the Von der Goltz expedition, and in the early years of the Hitler regime. In 1935 these relations were those of two countries with a common strategy. In Rominter, East Prussia, General Mannerheim met Goering, Radziwill and Gombos for discussions of which the 'Times' (October 14, 1935) wrote: "Finland (whose strategical position for naval operations is talked of) and even Rumania have been drawn in. Even Japan is suspected of figuring in these dreams of the future."

Of Finland's relations with Russia, the Official Statement concerning Finnish-Russian relations provides us with this statement: "Since the conclusion of the Peace Treaty of 1920, Finnish-Russian relations have been correct. In 1932 a Non-Aggression Pact was concluded between Finland and Russia. This Non-Aggression Pact was reaffirmed in 1934 to remain in force until 1945." This "summary" of political relations however overlooks the essential economic fact that Finland has re-orientated her trade relations so that they are not concentrated on Great Britain.

FINLAND in the ANGLO-SOVIET TALKS.

The annexation of Bohemia and Moravia on March 15th, 1939, and subsequent events and hostile demonstrations, led to Anglo-French pledges of aid to Poland (March 31st), Rumania and Greece (April 13th) and the opening of negotiations between Britain and the U.S.S.R. on April 14th. (A Russian proposal on March 18th for a conference of all interested Powers had been rejected by Britain as premature). The U.S.S.R. introduced the question of Finland's security in the talks at an early stage.

On May 3rd, Moscow issued a communique complaining of lack of reciprocity in the British proposals, from which we quote:-

"Nothing is said regarding any assistance the Soviet Union should, on the basis of reciprocity, receive from France and Great Britain if the Soviet Union were likewise drawn into military operations in fulfilment of obligations it undertakes with respect to some other states of eastern Europe." (Manchester Guardian, 11/5/39).

The "other States" in mind were particularly Finland, Estonia and Latvia. The views of these States upon the guarantee of their security are, however, indicated by the following quotations:-

M. Selter, Estonian Foreign Minister:-

"In the event of danger a limited assistance could be accepted from a Great Power which is not to blame for the infringement of neutrality, and in whose goodwill there is no doubt, but the nature of support could not be decided upon before the country had been attacked. As soon as any Great Power should, without our invitation, desire to appear in the role of an assistant, either as the representative of some collective system or as the defender of its own vital interests on the soil of the Baltic states, such an assistance would be considered as an aggression which the Baltic States would fight with all their means." (Times, 2/6/39).

The "Briva Zeme," organ of the Latvian Government:-

"Latvia and Estonia are negotiating a non-aggression pact with Germany such as the one Denmark has concluded already. There has been no suggestion of guaranteeing Denmark, which is in the same case as Latvia and

and Estonia. These two countries would be converted into wards of a great neighbour, and no free country would accept such guardianship. Great Britain took this fully into account and considered the position and wishes of the neutral States when making her proposals." (Times 5/6/39).

M. Erkkö, Finnish Foreign Minister, to the Diet:-

"I must take the occasion to inform you that such a guarantee cannot be accepted. It is not in conformity with Finland's independence and sovereign status, and Finland must treat as an aggressor every State which, on the basis of such an unasked-for guarantee, intends to give its so-called assistance when it perhaps considers that the "guaranteed" State requires help." (Times 7/5/39).

The Times reports the determination of the British and French Governments to allay fears of potential interference in the internal politics of the Baltic States, (Times 5/7/39), but Uusi Suomi, Finnish Conservative paper remarks:-

"We know - and no French or British diplomatic activities can make us believe anything else - that if the Soviet by treaty obtains protective rights regarding Finland, it means an assault on Finland's independence and freedom and obliges us to resort to every possible measure to protect our country against such an attack." (Times 7/7/39).

In a leading article, "The Baltic Difficulty," the Times says:-

"They, nevertheless, wish to consider themselves free, should such an attack be made, to call upon a Great Power to help them against the Great Power guilty of aggression. The Russian view of this attitude is understood to be that it would be too late for effective help to be rendered. It is, of course, presumed in Moscow that the attacker would be Germany, and a lightning attack by sea and air, it is considered, might secure control of the Baltic ports before the efforts of the local defence could be supplemented from outside. The Russian Government also visualises in advance of hostilities a political offensive by which the Reich, without declaring or making war, might subvert the existing governments and acquire a strong position in the several capitals." (Times 10/7/39)

The Soviet-Finnish Negotiations.

The negotiations opened between the Soviet and Finnish Governments on October 9th 1939, must be viewed against the background of Soviet actions in the previous month. On Sept. 14th the Soviet Government had complained of Polish planes violating the frontier, and on Sept. 16th informed the Polish ambassador of their intention to invade Poland. The invasion took place on the 17th and culminated in the annexation of east Poland.

On the 18th a Polish submarine escaped from Tallinn where it had been interned on the 15th. On the 22nd the Estonian Foreign Minister left for Moscow at the invitation of the Soviet Government. A pact between Estonia and the U.S.S.R. was signed on the 29th and ratified on Oct. 2nd.

The Soviet-Estonian Pact provides for mutual support against aggression, and no hostile alliances... Estonia agreed to lease to the U.S.S.R. naval bases and aerodromes at Baldiski port and on the islands of Oesel and Dagoe. The pact stipulated that there should be no interference with the economic system or state organisation of Estonia. (Baldiski was occupied on Oct. 14th).

On Oct. 2nd, the Latvian Foreign Minister was in Moscow and a similar Soviet-Latvian Pact was concluded on the 5th. The U.S.S.R. acquired naval bases at Liepaja (Libau) and Ventspils (Windau), aerodromes and coastal artillery to guard the Gulf of Riga. (Libau and Windau are ice-free ports).

On Oct. 10th, a Soviet-Lithuanian Pact was signed on similar lines giving the U.S.S.R. the right to maintain land and air forces at agreed points. Vilna, taken from the Poles, was given back to Lithuania.

The pacts with the three Baltic States were concluded with an air of goodwill, which may have amounted to no more than putting the best face on the matter in view of the hopelessness of resistance. Said the authoritative "Uus Eesti" :-

"It was best to reach a settlement betimes and thus to dispel the tense atmosphere. The present treaties respect the sovereign rights of Estonia, and it is expected that both Estonia and the USSR will carry them out loyally." (quoted "Times" 30/9/39).

The "Times" diplomatic correspondent remarked on October 3rd:-

"Whether the USSR will make similar demands of the Government of Finland, who are unlikely to accept them, is a question which Swedes as well as Finns are asking anxiously."

On October 5th, Finland was asked to send a special representative to Moscow and Dr. Paasikivi, Minister to Sweden, went there on

the 9th "to take note of the desires of the USSR." Simultaneously, the Finnish Government declared that Finland would stand by Northern neutrality and join no power or group. On the 11th, the Finnish people were warned to be ready for all eventualities, evacuation of main towns and frontier districts was started, and the "Telegraph" on Oct. 13th, reported 300,000 men mobilised.

On the 13th, the "Telegraph" reported a demarche by the USA and the Scandinavian Governments in Moscow emphasising their interest in peaceful relations between the USSR and Finland. The Kings of Denmark, Norway and Sweden and the President of Finland met in Stockholm on October 19th. The King of Sweden said that his country felt a deep and genuine bond with Finland and the conference issued a declaration of strict neutrality of the Nordic States. The President of the U.S.A. sent a message in support of this principle.

The "Times" in a leading article on Oct. 10th said:-

"...in the political object of maintaining her independence and in the economic object of maintaining her overseas trade, Great Britain sees eye to eye with Finland, and our victory in the present conflict will ensure the conditions necessary for Finland, as for other countries, to live her normally active and independent life, politically, culturally and economically."

The "Telegraph" on the 16th reported the Finnish Nazi Party as disappointed at the abandonment of Finland by Germany.

A Russian viewpoint is indicated by the Moscow correspondent of the "Telegraph" (16th October):-

"The Kremlin is obviously intent on restoring Russia's naval position in the Baltic without bloodshed. This position for the last nineteen years has been somewhat hopeless with the Red Fleet couped up in the Gulf of Finland"

On October 21st, Dr Paasikivi was again in Moscow, this time with M. Tanner, Finance Minister and Social-Democrat ex-premier. They returned to consult their Government with modified Soviet proposals on the 26th, and returned to Moscow on the 31st.

According to the Statement issued by the Finnish Government, (English, Simpkin, Marshall, 3d). the U.S.S.R. demanded:-

In order to give the U.S.S.R. control of the Gulf of Finland, the lease of Hangö as a naval base with a garrison not exceeding 5000 men, anchorage in Lappohja Bay, and the cession of 5 islands in the Gulf of Finland.

For the security of Leningrad, the movement back of the frontier on the Karelian Isthmus and the suppression of fortifications on both sides of the frontier.

Strengthening of the non-Aggression Pact by an undertaking not to join any hostile alliance.

Cession of the Finnish part of Rybachi peninsular in Petsamo.

In return, Finland would receive some 2000 sq.miles of Karelia and permission to fortify the Aaland Islands on condition that no other power had anything to do with it.

The position taken by the Finnish representatives on October 23rd, was that they could not agree to the lease of Hangoe, which would be incompatible with neutrality and would also facilitate an attack on Finland. They would cede certain islands, though not quite as demanded. They were ready to make some rectification of the frontier, but they could not consider adjustment to the extent proposed, since this would jeopardise their defence and involve a big transfer of population. Finland would give any desired assurance that she would not support a hostile power, but "support" must not be understood to refer to normal exchange of goods and transit trade. The Soviet Union, however, insisted on Finland leasing to her the port of Hangoe and a considerably larger part of the Karelian Isthmus than Finland had agreed to. A naval base at Hangoe was an indispensable minimum for safeguarding the defences of Leningrad."

"Up to this moment," the Statement continues, "the conversations were of an entirely friendly and amicable nature, and the representatives of Finland had no reason whatever to assume that the difficulties and problems contained in the Soviet proposals could not be settled in a spirit of justice and by means of peaceful arbitration. It must be strongly stressed that at no time was any third power consulted in regard to the Russian proposals. Indeed, conditions of the greatest secrecy were maintained by the Finnish Cabinet during the long period of discussion."

On November 1st, the Finnish Foreign Minister, M. Erkko, stated publicly that Finland would not agree to proposals which would remove her independence and prospects of defence.

On November 3rd, "Pravda" was attacking both Finland & Sweden as warmongers. M. Molotov, reporting to the Soviet Supreme Council, said the Soviet Union was meeting Finland halfway, but Finland did not desire to reach agreement. Finland was preparing for war, and M. Erkko threatened the Soviet Union by stating that "he knew the forces on which Finland could rely." He was like Beck who provoked the war with Germany. These forces were the forces which started the war in Europe, and attempted, unsuccessfully, to provoke the Soviet Union into war with Germany. He then attacked the Swedish politicians who "were acting on the orders of their bosses in the West." (Manchester Guardian, 4/11/39).

A month earlier "Isvestia" views the British fleet as an "aggressor" against whom the smaller Baltic States must be protected by Russian occupation of convenient strategic points along their coasts. (Telegraph, Moscow correspondent, 4/10/39).

The negotiations however continued. It was understood that the Soviet Government had rejected Finnish counter-proposals on Novr. 10th; but the "Tass" agency denied that proposals had been put forward that could be rejected. The Finnish representatives left Moscow on the 13th. They said that the talks had proceeded in a friendly way and the negotiations were suspended, not broken off.

On Novr. 15th a campaign against Finland was started in the Soviet press and on the radio.

PART 9.

The Attack on Finland and the First Six Weeks of the War.

On November 26th the U.S.S.R. complained that Finnish artillery had fired on Soviet troops on the Karelian Isthmus and demanded that the Finnish forces be withdrawn to 10 km. (6 miles) behind their forward defences. Finland agreed to withdrawal on a mutual basis and proposed a joint expert enquiry into the alleged incident, which was rejected. The Russian note protested against Finnish mobilisation on this frontier as a hostile act, but the Finns allege that Soviet mobilisation in the Leningrad district began in September.

Finland proposed that the Finnish-Russian problem be settled by arbitration; but on the 28th the U.S.S.R. denounced the non-Aggression Pact and broke off diplomatic relations the next day. The U.S.A. offered mediation on the 29th to which Finland agreed.

In the early hours of November 30th, Russian artillery began to bombard Finnish territory and the Russian air forces bombed Finnish towns at dawn.

On December 1st the Finnish Diet passed a vote of confidence in the Government, and on the same day a war cabinet representative of all parties, except the small Fascist group and the proscribed Communists, was formed under M. Ryti, Governor of the Bank of Finland. The Social Democratic Party and the Trade Union organisation expressed confidence in the Government.

The same day a "Finnish People's Government" under Kuusinen was formed at Terijoki on the Soviet side of the frontier on the Karelian Isthmus. A Treaty of Mutual Assistance and Friendship was concluded between this body and the U.S.S.R. This treaty provided for:-

The lease of Hangö for a naval base.

The sale of six islands in the Gulf of Finland and parts of Rybachi and Srednii peninsula for 30,000,000 marks.

Assistance, including military aid, in the event of an attack on Finland, or of the threat of use of Finland for an attack on the U.S.S.R.

No hostile alliances.

A trade treaty, to increase mutual trade.

War material for Finland on favourable terms.

(World News and Views. 9/12/39).

The Communist Party of Finland issued a Manifesto denouncing the Capitalist Powers "which for over 21 years have concocted military intrigues against the U.S.S.R," condemning the "Social Democrat," "treacherous leaders" openly allied with the worst war-mongers and Lapuan butchers," and appealing for support of the Finnish workers by hand and by brain.

Through the radio, the Finnish Government at Helsinki made one further effort, but there was no reply from Moscow.

Information in the British press is mostly derived from Finland from official communiques, and correspondents.

The Russians have launched mass attacks on the Mannerheim Line. On Jan. 2nd, the Finns stated that the Russian army in the Isthmus had been raised to 200,000 men. They claim that Russian losses have been very high; 1000 tanks have been employed and 250 destroyed. It should be noted that the main defences lie at some distance from the frontier and beyond the "20-mile advance" claimed by the Russians in the first week.

Some attempts have been made, without success, to turn the Line by attacks over the frozen Gulf of Finland and Lake Ladoga, with channels kept free for tugs.

The Russians have also attempted to sweep round the north of Lake Ladoga and advanced some distance into Finland; but the line of defence here lies some way behind the frontier. The Finns claim to have inflicted serious reverses on the Russians in this region.

A serious threat to communications with Sweden was indicated when the Russians were reported on December 19th to be at the outskirts of Kemijaervi, the most northerly point of Finland's railways and near Rovaniemi, where the railway joins the Arctic Highway to Petsamo. This penetration half way across the "waist" of Finland was checked by weather. Another line of attack across the "waist" has been through Suomussalmi from the Russian railhead at Uhtua, on a branch from the Murmansk railway. Here the penetration has been small and the Finns claimed the recapture of Suomussalmi towards the end of the second week. They had also driven the Russians back from Kemijaervi and retaken Salla.

The Finns claimed a great victory at Lake Kianta (Suomussalmi) on December 31st, with destruction of the 163rd division; and that they had destroyed another division, the 44th, here on January 8th. They have conducted guerilla warfare far behind the Russian lines and seriously damaged the Murmansk railway by land and from the air.

In the extreme north, the Russians have occupied the Petsamo strip, 80 miles long. They landed on the beaches with little difficulty. The Finns have destroyed the nickel works (Dec. 15th).

The Russians also attempted a landing at Hangoe in the first week. Of the landing at Petsamo and the attempt at Hangoe, the

"Daily Telegraph" writes:-

"Their capture would have been in no way a step towards weakening Finland's powers of resistance. The attacks were aimed solely at securing possession of the strategic points demanded during the negotiations. As a military operation, the attack on Hangoe was particularly futile if serious resistance had been expected, for all experience shows that ships are at a hopeless disadvantage when they engage coast batteries."

More generally he says:-

"I confess that in the first instance I thought that the Finnish resistance could be little more than a gallant gesture, threatened as they were by overwhelming superiority of numbers by land, sea and air...But I overestimated the efficiency of Russia's armed forces and I underestimated both the determination of the Finns and their fighting capacity..It now seems clear that Stalin's plans were based on the constant belief that though the Finns refused to give in to threats yet they would not offer serious resistance when force was actually applied." (Daily Telegraph 20/12/39).

The Russian review of the first three weeks claims advances of 80 miles in Petsamo, 90 miles towards the head of the Gulf of Bothnia, 50 miles north of Lake Ladoga and 40 miles towards Vipuri on the Karelian Isthmus. It comments:-

"The territory of Finland presents most serious difficulties for the movement of troops. The lack of roads and rugged terrain, impassable forests, innumerable lakes - divided by innumerable isthmuses spanned by several lines of defences consisting of concrete gun and machine-gun emplacements with concrete refuges for troops - these are the conditions hindering the rapid advance of troops on Finland's territory. In its defence power this system of artificial fortifications as for instance on the Karelian Isthmus, reinforced by Finland's natural conditions, is in no way inferior to the defence power of the fortified Siegfried Line of the western frontier of Germany, against which the Anglo-French troops, during four months have not made the slightest progress. The Red Army...never expected to annihilate the Finnish troops by one lightning blow!" (Anglo-Russian News Bulletin. January 20, 1940).

In a review of the second three weeks it is stated that "there were no substantial changes in the front." The Russians deny that the Finns anywhere penetrated into Soviet territory; or that the Murmansk railway was ever interrupted; or that the 44th Division was annihilated.

Reactions to the Finnish-Russian War.

No incident in international affairs has had any repercussions comparable with those of the Finnish-Russian war, whether on the part of the press; of almost every organisation; of the Churches and of the League of Nations.

The 'Times' on December 4th reported anti-Soviet demonstrations in Rome. Italian planes arrived in Finland ('Telegraph', December 9th):

The Spanish Government formally expressed its deep sympathy for the Finnish people and its condemnation of the "barbarous invasion of Finland by Russia". ('Telegraph' December 9th).

The French press has openly urged that action be taken against the U.S.S.R. as the following typical extract shows:-

"Looking at it from a strategical angle would it not be in our interests to foil Hitler's plans, which now seem as clear as daylight? This plan consists of blocking the Anglo-French force behind the western fortifications in the expectation that inactivity will gradually wear down their nerves and their moral. In the meanwhile Germany and Russia would help themselves to the rest of Europe. A breach with Moscow would allow us to consider new manoeuvring possibilities; would give the struggle an entirely different character, and would at the same time foil the enemy's schemes".

('Le Temps'. December 9th).

The American press and public opinion both official and unofficial have been loud in their condemnation, and on February 12th President Roosevelt openly denounced the U.S.S.R. at a Routh Congress Meeting.

The British Government condemned the invasion of Finland from the beginning, and after helping Finland by the sale of planes and arms, has now made it legal for British citizens to volunteer to take part in the campaign. The National Council of Labour issued a statement on December 7th from which the following are the most important passages:-

"The British Trade Union and Labour Movement views with profound horror and indignation the Soviet Government's unprovoked attack upon a small State with whom it had made a pact of non-aggression

"British Labour pays heartfelt tribute to the steadfast courage and resolution the Finnish nation has shown in resistance to the aggressor

"it calls upon the free nations of the world to give every practicable aid to the Finnish nation in its struggle to preserve its own institutions of civilisation and democracy."
(National Council of Labour Statement.)